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**Contract Administration:**

**Now that You've got that Contract  
in Place....what's next?**

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## **Contract Administration**

Whether you call it contract administration or contract management, the fact remains that there is life after the solicitation of the contract.


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## **Contract Administration**

For the procurement professional the procurement does not end with a contract award. The contract life is just beginning!


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## Definitions

There are those who make a distinction between contract administration and contract management.


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## Definitions

NASPO's 2008 edition of *State & Local Government Procurement* defines contract administration as "the management actions that must be taken to assure full compliance with all of the terms and conditions contained within the contact document."


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## Definitions

NASPO's 2015 edition of *State & Local Government Procurement* defines contract management as “the overarching process that a government agency will use to ensure that the contractor has performed in accordance with the performance requirements in the statement of work or specifications.

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## Definitions

- Contract administration activities include, payment, monitoring of progress, inspection and acceptance, quality assurance, modifications, negotiations, and contract closeout
- Contract management is comprised of the entire contracting process, from pre-solicitation activities through contract closeout

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**Definitions**

We'll just refer to  
what we do after  
contract formation as  
contract administration...

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**What now .....?**

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## What now.....?

- Review the final contract document for:
  - Each parties responsibilities
  - Deliverables
  - Milestones
  - Performance measures
  - Payment requirements
  - Special requirements

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## What now.....?

- Pre-performance “Kick-off” Meeting
  - Schedule orientation session
    - ✓ Face-to-face
    - ✓ Teleconference
    - ✓ Video-conference

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## What now.....?

- Why Meet?
  - Fosters partnering—parties engage in developing plan for success
  - Clear and mutual understanding of contract
  - Involve agency program personnel

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## What now.....?

- Why Meet?
  - Contractor gets benefit of meeting key government official(s) administering contract
    - ✓ Who is in charge—the one who will be the eyes, ears, and mouth for the agency
    - ✓ Familiarize contractor with processes and procedures re monitoring/measuring performance


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## What now.....?

- Why Meet?
  - Contractor gets benefit of meeting key government official(s) administering contract
    - ✓ Billing and payment
      - Proper policies/procedures
      - Proper documentation
    - ✓ Discuss resolution of disputes short of bringing adversarial action


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## What now.....?

- Monitor Contract
  - Develop well-defined procedures that processes are in place to collect data, monitor timelines, evaluate performance.....
  - Monitor performance against T/Cs of contract

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## What now.....?

- Regular Communication
  - With stakeholders
  - Should be designed with ease in mind
  - Communicate essential matters

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## What now.....?

- Obtain and Maintain Necessary Documentation
  - ID all necessary licenses, warranties, guarantees, leases, and other documents
  - Ensure documentation is complete and correct
  - Share documentation as needed

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## What now.....?

- Assess Performance
  - Assess continuously
  - Evaluate what is working (inspections/testing)
  - Correct what is not working
  - Risk assessment
    - ✓ ID risks that may potentially impact success
    - ✓ Analyze risks
    - ✓ Take steps to eliminate or minimize risk
    - ✓ Maximize opportunities for success


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## What now.....?

- Manage Change
  - Contract Modifications
  - Price Adjustments
  - Scope Changes
  - Disputes/Remedies


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## What now.....?

- Contract Closeout
  - Inspection
  - Testing
  - Property dispositions
  - Acceptance
  - Documentation
  - Audit
  - Resolve outstanding disputes
  - Final payments/adjustments


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## What now.....?

- Be Aware of:
  - Little time for monitoring
  - Roles not clearly defined on agency team
  - Inexperienced individuals assigned to project
  - Work statements not clear
  - Limitation of authority
  - Failure to obtain feedback from end users

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## Best Practices<sup>1</sup>:

- Conduct quality review
- Review primary and secondary contracts with contractor
- Draft acceptance language on the frontend
- Document changes
- Lessons learned—post contract evaluations
- Tie milestones to payment schedule
- Tell contractor when performing well and not
- Inspect goods/items

<sup>1</sup>Best Practices listed are those suggested by attendees

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# QUESTIONS?

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